

ROBINSON & COLE LLP

LISA M. BOYLE

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299
lboyle@rc.com
Direct (860) 275-8350

VIA HAND DELIVERY

July 15, 2005

The Honorable Cristine Vogel
Commissioner
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 304308
Hartford, CT 06134-0308

RECEIVED
2005 JUL 15 AM 11:47
OFFICE OF
HEALTH CARE ACCESS


RE: Letter of Intent
Grove Hill Medical Center, P.C.
Replacement of Existing MRI Equipment

Dear Commissioner Vogel:

This firm represents Grove Hill Medical Center, P.C. ("Grove Hill"). Enclosed herewith please find an original and five (5) copies of a Letter of Intent for Grove Hill for the replacement of Grove Hill's existing MRI equipment.

If you have any comments or questions regarding the enclosed, please feel free to contact me.

Very truly yours,



Lisa M. Boyle



Law Offices

BOSTON

HARTFORD

NEW LONDON

STAMFORD

GREENWICH

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www.rc.com

Enclosures
cc: Mr. Alan McGinnes

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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS



Original

State of Connecticut **Office of Health Care Access** **Letter of Intent/Waiver Form** **Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Grove Hill Medical Center, P.C.	
Doing Business As	Grove Hill Medical Center, P.C.	
Name of Parent Corporation	None	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	300 Kensington Ave. New Britain, CT 06051	
Applicant type (e.g., profit/non-profit)	Profit	
Contact person, including title or position	Alan McGinnes Executive Director	
Contact person's street mailing address	300 Kensington Ave. New Britain, CT 06051	
Contact person's phone #, fax # and e-mail address	(p) 860.224.6250 (f) 860.224.6260 mcginnes@grovehill.com	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Replacement of Existing MRI Equipment

b. Type of Proposal, please check all that apply:

☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

☐ New (F, S, Fnc)

☐ Replacement

☐ Additional (F, S, Fnc)

☐ Expansion (F, S, Fnc)

☐ Relocation

☐ Service Termination

☐ Bed Addition`

☐ Bed Reduction

☐ Change in Ownership/Control

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☐ Project expenditure/cost cost greater than \$ 1,000,000

☒ Equipment Acquisition greater than \$ 400,000

☐ New

☒ Replacement

☐ Major Medical

☒ Imaging

☐ Linear Accelerator

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

300 Kensington Avenue, New Britain, CT 06051

d. List all the municipalities this project is intended to serve:

New Britain, Berlin, Southington, Newington, Plainville, Cromwell

e. Estimated starting date for the project: August 1, 2005

- f. Type of project: 19 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
N/A				

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: \$1,100,000
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$287,000
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	\$798,000
Non-Medical Equipment (Purchase)	
Sales Tax	
Delivery & Installation	\$15,000
Total Capital Expenditure	\$1,100,000
Fair Market Value of Leased Equipment	
Total Capital Cost	\$1,100,000

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
MRI	Phillips	NT-Intera 1.5T	1	\$798,000

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- ☒ Applicant's Equity
 ☐ Lease Financing
 ☒ Conventional Loan
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding
☐ Funded Depreciation
 ☒ Other (specify): The equipment will be purchased by Investment Associates, LP, a limited partnership owned by the same shareholders as Grove Hill Medical Center, P.C., which was formed to own all of the capital assets of Grove Hill Medical Center, P.C. The equipment will be funded twenty percent (20%) from equity and eighty percent (80%) from a conventional loan. Investment Associates, LP will then lease the equipment to Grove Hill Medical Center, P.C.

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

SECTION IV.
PROJECT DESCRIPTION

1. Currently what types of services are being provided?

Grove Hill Medical Center, P.C. ("Grove Hill") is a multi-specialty physician group practice that has been providing physician services for 59 years. For many years, Grove Hill has provided comprehensive imaging services in its existing location at 300 Kensington Avenue, New Britain, including plain radiography, ultrasound, CT, fluoroscopy, mammography, bone densitometry, and Magnetic Resonance Imaging ("MRI"). Grove Hill desires to replace its existing MRI equipment.

2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable.

Grove Hill is seeking authorization to replace its existing Picker Vista 1.0T MRI equipment with Phillips NT-Intera 1.5T MRI equipment and to acquire a modular building to house the replacement equipment. The existing MRI equipment was purchased in 2002 for \$300,000. Grove Hill desires to improve the quality of its imaging services, the reliability of its imaging equipment and the efficiency of its MRI services.

DPH licensure is not required for the replacement MRI equipment.

3. Who is the current population served and who is that target population to be served?

Grove Hill currently serves patients in the central Connecticut area, primarily in those towns identified in Section II(d) of this Letter of Intent. The replacement MRI equipment will serve the same patient population.

4. Identify any unmet need and how this project will fulfill that need.

The Phillips NT-Intera 1.5T MRI equipment is replacement equipment for Grove Hill's existing Picker Vista 1.0T MRI equipment. Grove Hill also intends to replace the trailer currently housing the existing MRI equipment with a stationary, modular building. The existing Picker MRI equipment is available Monday, Thursday and Friday from 7 a.m. to 5:30 p.m. and Tuesday and Wednesday from 7 a.m. to 7:30 p.m. Grove Hill has been performing approximately 6.16 MRI procedures per day with the Picker MRI equipment.

The replacement Phillips NT-Intera 1.5T MRI equipment will provide higher quality images, improve diagnostic capability, increase operational efficiency and improve patient management. Grove Hill has been experiencing problems maintaining and repairing the Picker Vista MRI equipment since the manufacturer ceased doing business some time ago. This has resulted in weeks of down time for repairs and maintenance of the equipment. In addition, Grove Hill desires to improve the quality of the MRI imaging that it is providing and to provide some of the imaging services that are commonly performed with MRI equipment but which Grove Hill has been unable to perform with the existing Picker Vista MRI equipment, such as

magnetic resonance angiography and breast studies. The replacement MRI equipment will reduce the amount of patient time spent in the MRI and will provide more comfortable MRI service delivery through reduced sound emission, a more open design and a stationary building to house the MRI. In addition, with the Picker Vista 1.0T MRI equipment, patients have been spending approximately forty (40) minutes in the MRI for an MRI without contrast and fifty (50) minutes in the MRI for an MRI with contrast. Using the new Phillips NT-Intera 1.5T MRI equipment, an MRI without contrast will take approximately twenty-five (25) minutes and an MRI with contrast will take approximately thirty (30) minutes. Replacing the MRI equipment will ensure that Grove Hill can continue to provide MRI services at the standard of care for the patients in Grove Hill's service area.

5. Are there any similar existing service providers in the proposed geographic area?

Another provider of MRI services in the geographic area set forth in Section II(d) of this Letter of Intent includes MRI of New Britain located at New Britain General Hospital. The replacement MRI equipment is only replacing existing MRI equipment and is not expected to have an impact on other imaging providers in the geographic area.

6. What is the effect of this project on the health care delivery system in the State of Connecticut?

As discussed in Grove Hill's Response to Question 4 above, the replacement Phillips NT-Intera 1.5T MRI equipment will improve the health care delivery system in the State of Connecticut by providing higher quality images, improving diagnostic capability, increasing operational efficiency and improving patient management. Grove Hill proposes to replace its older MRI equipment, which has presented maintenance challenges and provided lower quality imaging, with a higher quality, more open MRI, which will reduce the patient time and improve patient comfort in the MRI.

7. Who will be responsible for providing the service?

Grove Hill has an agreement with New Britain Radiology Group, P.C. ("NBRG") to provide board-certified radiologists with extensive experience and advanced MRI training to supervise the MRI certified technologists employed by Grove Hill and to interpret all MRI studies. Grove Hill will handle all other aspects of providing the service, including all billing and reimbursement related matters.

8. Who are the payers of this service?

Grove Hill participates in all major insurance plans, including Medicare and Medicaid. Grove Hill anticipates a payer mix for the MRI services of:

Medicare	26.5%
Medicaid	5%
Self Pay	1%
Commercial	67.5%

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- ☒ This request is for Replacement Equipment.
- ☒ The original equipment was authorized by the Commission/OHCA in Docket Number: CON Determination, Report Number 02-E2.
- ☒ The cost of the equipment is not to exceed \$2,000,000.
- ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT

Applicant: Grove Hill Medical Center, P.C.

Project Title: Replacement of Existing MRI Equipment

I, Alan McGinnis, Executive Director
(Name) (Position – CEO or CFO)

of Grove Hill Medical Center, P.C. being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Grove Hill Medical Center, P.C. complies with the
(Facility Name)
appropriate and
applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486
and/or 4-181 of the Connecticut General Statutes.

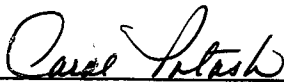


Signature

7/14/05

Date

Subscribed and sworn to before me on July 14, 2005



CAROL POTASH

Notary Public/Commissioner of Superior Court

My commission expires: January 31, 2007

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19.
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical